

**State of New Hampshire
Insurance Department**

Your Guide to Understanding Auto Insurance in the Granite State



What You Need to Know!

This guide is intended to give New Hampshire consumers basic information on auto insurance.

It suggests ways to:

lower the cost of your auto insurance, shop for auto insurance and, file an auto insurance claim.

If you have questions or need help after reading this guide, please feel free to contact the New Hampshire Insurance Department at the number and address in the back of this guide.

ABOUT US

The New Hampshire Insurance Department makes sure that insurers doing business in the state are financially sound, insurance is available and appropriately priced, and consumers are treated fairly by doing the following:

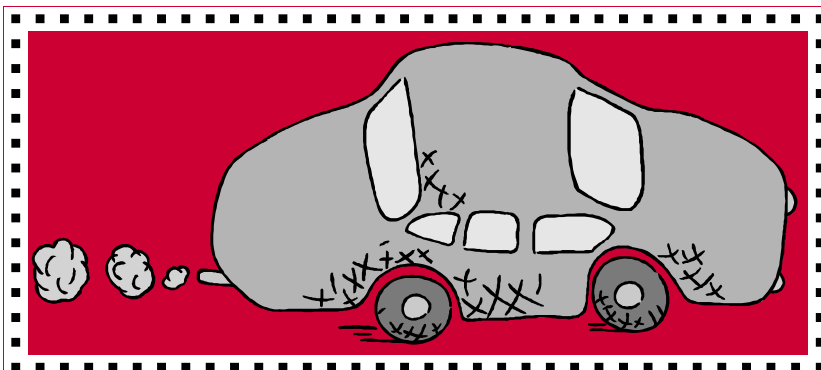
- Licensing insurance companies and checking their financial stability
- Reviewing insurance products and premium rates to be sure they comply with state law
- Licensing insurance agents and brokers
- Helping consumers resolve problems
- Watching the market conduct of insurers and agent/producers to ensure compliance with state insurance laws
- Educating the public about insurance issues
- Advocating reforms that protect the insurance-buying public.

Please note the New Hampshire Insurance Department does not set auto insurance rates.



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CHOOSING THE COVERAGE YOU NEED

Why Buy Auto Insurance?

If you are in an auto accident and you are at fault, you could be liable (or legally responsible) for bodily injury or property damage caused by that accident. You could be sued and a court could order that your assets be taken to pay the liability claim. Even for an accident where you were not at fault or were only partially at fault, the costs of defending yourself against a legal action could be very high.

New Hampshire motor vehicle laws don't require you to carry auto insurance. However, if you have an "at-fault" accident and don't have auto insurance, the New Hampshire Division of Motor Vehicles could require you to post a bond or cash equal to the amount of damage you caused in that accident. You also would be required to satisfy the New Hampshire Division of Motor Vehicle Financial Responsibility requirements. This means you must buy auto insurance with minimum coverage amounts set by the Division of Motor Vehicles. You must satisfy these requirements to continue to drive legally in New Hampshire. For more information on financial responsibility requirements contact the New Hampshire Division of Motor Vehicles at 603-271-3101 or www.nh.gov/safety/dmv.

What Coverage Should I Buy?

If you buy auto insurance in New Hampshire, the minimum limits available for Liability coverage are 25/50/25. Liability coverage pays for damages to *others* for which *you* are legally liable. Coverage of 25/50/25 pays up to \$25,000 per person for bodily injury, up to \$50,000 if 2 or more persons are hurt, and up to \$25,000 for property damage.

Liability coverage does not pay to repair damage to your own vehicle. This type of insurance is called Collision and Comprehensive coverage. A financial institution will likely require you to show proof of or to buy Collision and Comprehensive coverage before they approve a loan.

If you buy auto insurance in the State of New Hampshire you must also buy Medical Payments and Uninsured Motorists coverage. Medical Payments coverage pays for medical expenses for you and any passengers in *your* vehicle. By law, you must buy at least \$1,000 of Medical Payments coverage.

Uninsured Motorists coverage covers you and your family members for injuries from an accident with an uninsured driver, or a hit and run, legally liable motorist. It also protects against injuries caused by insured drivers if their coverage is less than your own. In New Hampshire, your Uninsured Motorists coverage must equal the limit of your Liability coverage.

How Much Coverage Should I Buy?

Until and unless you have an accident, you will never see the benefits of auto insurance. Predicting the future is impossible. You can't tell if and when you might be in an accident, how much damage there might be or if the other party will be insured. The coverage limits you choose should be high enough to protect you from the loss of your assets and to cover bodily injury and property damage claims against you. If you own a home or other valuable assets and have a good income, you should probably buy higher limits than the minimum required by law. Bodily injury and property damage claims can easily be higher than minimum coverage levels since vehicles now cost many thousands of dollars and medical costs have soared. To choose the level of Uninsured Motorists coverage, think about what you could lose if you become disabled in an accident with a driver who has little or no Liability coverage.

Types of Coverage:

The following types of auto coverage are generally sold in New Hampshire:

- **Collision Coverage** - Pays for damage to your vehicle when it collides with another vehicle or object. Your lender may require this coverage if you have a loan on your vehicle.
- **Comprehensive Coverage** - Pays for damage to or the loss of your vehicle from causes other than collision (for example: hail, vandalism, flood, fire and theft, etc.) Your lender may require this coverage if you have a loan on your vehicle.
- **Custom/Non-factory Equipment Coverage** - Covers customized features, such as those found on conversion vans, as well as non-factory items such CD players, cellular phones and CB radios.
- **Rental Reimbursement/Transportation Expenses** - Pays the fee (usually \$10 to \$20 per day) to rent another vehicle while yours is being repaired. Generally only covers rentals "for a reasonable period of time."
- **Towing and Labor Coverage** - Reimburses you for towing expenses when your vehicle must be towed to a repair shop or to another location because it is not drivable or is damaged.
- **Medical Payment** - Pays for limited medical expenses if you, or a passenger in your car are hurt in a car accident.



- **Liability Coverage** - This coverage pays others for damages from an auto accident that you cause. It also pays for a lawyer to defend you if you are sued for damages that you cause. There are two kinds of liability coverage: Bodily Injury and Property Damage

Bodily Injury Liability Coverage - Pays for claims and lawsuits by people who are injured or die as a result of an accident you cause. It compensates others for pain, suffering and economic damages, such as lost wages.

Property Damage Liability Coverage - Pays for claims and lawsuits by people whose property is damaged as a result of an auto accident you caused.



- **Uninsured Motorist Bodily Injury (UM) Coverage** - Pays you for property damage and/or bodily injury if you are involved in an auto accident with an uninsured motorist. They must be found negligent/liable for your damages.
- **Underinsured Motorist Bodily Injury (UIM) Coverage** - Pays you for property damage and/or bodily injury if you are in an auto accident caused by a driver who is insured, but who has less coverage than your underinsured motorist coverage. They must be found negligent/liable for your damages.
- **Umbrella Liability Insurance** - A policy that "floats" above your other coverages. You must have a certain amount of liability coverage, such as auto and homeowners, before you can buy an umbrella policy. This coverage kicks in if you are sued for an amount that is more than the liability coverage of your auto policy.
- **Gap Insurance** - If your vehicle is a total loss, this insurance pays the difference between what you owe on your auto loan and your totaled car's actual cash value.

FACTORS AFFECTING THE PRICE YOU PAY

Underwriting, Rating and Premiums:

Two major factors – underwriting and rating -- determine what you pay for auto insurance. Insurers use underwriting to analyze your personal characteristics and decide how much risk you present. They then group you with others who pose a similar risk.

Based on the results of their underwriting process, insurers use a rating system to assign a price. The price is based on the insurer's estimate of the cost to assume financial responsibility for that person's potential claim losses.

Although there are some general rating guidelines, each company uses its own underwriting and rating system. It's important to shop because different companies charge different rates for the same coverage. Comparison shopping takes time now, but may save you money in the long run.

When you apply for insurance you will be asked several questions. The purpose of these questions is to determine the amount of premium you will be charged.

Some Factors Companies Use to Determine Rates Include:

- **Age, gender and marital status** – (i.e., a single 17 year old male vs. a married 45 year old female). Statistics show certain groups of drivers have more accidents. The greater the chance a group of drivers will have a loss, the higher the cost of the premiums (or “rating”) for that group.
- **Coverage limits** - (i.e., \$25,000/\$50,000/\$25,000 vs. \$50,000/\$100,000/\$50,000 liability coverage). The higher the insurance coverage limits you buy, the more it will cost.
- **Driving record** - Your driving history, including moving violations and at-fault accidents. Drivers with a history of at-fault accidents and tickets pay higher premiums than those with better driving records.
- **Household members** - The ages and driving records of other drivers in your household may affect your premium. Teen drivers increase your premium even if they never or rarely drive your vehicles (unless they buy their own policy). An insurer can refuse to pay a claim and/or can cancel your policy if you have but didn't include a teen driver on your insurance application or policy.

- **Location** - Where you keep and drive your car (i.e., rural towns vs. congested urban areas). City drivers pay more than rural drivers because heavily populated areas have more traffic, thefts and vandalism.
- **Type of vehicle** - Model, year and value of your car (i.e., 1999 Chevrolet vs. 2004 BMW). Some cars cost more to insure because they are more easily damaged, more expensive to repair or more likely to be stolen.
- **Use of vehicle** - Annual mileage (i.e., 3 mile commute to work vs. 60 mile commute to work). The more you drive, the greater the statistical chance of an accident. Therefore, the more you drive, the higher the premium.
- **Credit history** – Many companies now look at your credit history. Most insurers use your credit score to judge your experience with credit.



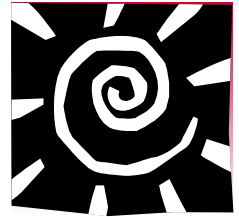
Discounts:

You can use discounts to reduce your premiums. Be sure to ask about possible discounts when buying or renewing your auto insurance policy. Not all companies offer all of the discounts listed here, and some companies may offer other discounts.

- **Anti-theft devices** - Usually available as a discount against your comprehensive coverage premium for devices that discourage theft or vandalism.
- **Auto/home packages** – May be available if you buy your auto and homeowners policies from the same insurance company.
- **Good driver** – Normally available for policyholders who maintain a good driving record.
- **Good student** – Frequently offered to young drivers who maintain good grades in school.

- **Low annual mileage** – May be available for vehicles operated less than a given number of miles per year.
- **Multiple vehicles** – Often offered when the same company insures more than one vehicle in your household.

SHOPPING FOR THE BEST VALUE



Getting Rate Quotes:

When you compare prices among companies, be sure to compare the same coverages. Ask about the types and amounts of discounts offered and whether the rate quote includes discounts.

A rate quote from an insurance agent/producer is only an estimate of what you'll pay for the insurance. For this reason, it's a good idea to ask for a non-binding application before you switch auto insurance companies. Your new agent/producer can submit the application for you at no charge. The agent/producer can then let you know if the company will insure you and at what price before you decide to cancel your current policy.

Ways to Lower Your Auto Insurance Costs

- **Ask about discounts.** The types and amounts of discounts offered may vary by company. Some discounts reduce part of your premium; other discounts may lower the entire premium.
- **Increase your deductible.** If you increase your deductible, you may pay a much lower premium. Remember, however, with a higher deductible you'll pay more out of pocket each time you have a claim.
- **Maintain a good driving record.** Moving violations and at-fault accidents usually mean higher premiums.
- **Consider a different make or model of car next time you buy a vehicle.** Some vehicles cost more to insure than others. Ask your insurer for information on premium rates for the makes and models that interest you before you go shopping for a new car.



- **Maintain a good credit history.** Many companies now look at your credit information and may charge lower premiums for those with better credit histories.

Buying Insurance

You may buy insurance from an insurance agent/producer or directly from the insurance company.

Buying through an agent/producer: - Until insurers began to increase their direct sales most people bought insurance through an agent/producer. Agents/producers make commissions on sales of insurance products. An independent agent represents and sells the insurance products of several, unrelated insurance companies. An exclusive agent represents only one insurance company (or group of related insurance companies), and agrees to represent and place all (or most) of their policies with just the one company (or group of companies). In addition to making sales, it's also an agent's job to offer advice and to provide you with customer service after the sale.



Buying directly from a company: - Today, many people buy their insurance directly from a company without going through an agent/producer. Direct response insurance marketing includes any type of sale that doesn't rely on individual insurance agents/producers to find and sell to customers. Direct response companies advertise by telephone, mail, radio, TV and the Internet and sometimes are associated with credit card companies. Some direct response companies have sales representatives available to answer any questions an agent/producer would answer.

Mixed marketing means an insurance company is using more than one sales system. For example, some companies sell insurance through agents/producers and also through direct marketing.

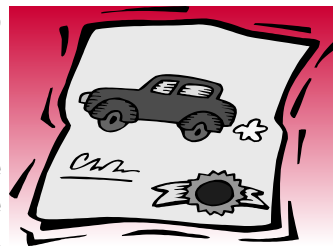
No matter where you buy your insurance, be sure to buy only from licensed individuals or companies. To legally sell insurance in New Hampshire, agents/producers and companies must be licensed by the New Hampshire Insurance Department. The licensing process gives consumers certain safeguards by, among other things, making sure that applicants have met basic financial and background requirements under the law. Not all companies that advertise nationally or sell on the Internet are licensed to do business in New Hampshire.

Give Accurate Information:

No matter how you buy insurance, it's important that the insurer have accurate information about you. Whether you buy your insurance from an agent/producer, by telephone or on-line, ask to review the application. Check to see that all of the information is correct.

Complete your insurance application fully and truthfully. If you are not truthful or leave out information, your policy can be denied or cancelled. Having a policy cancelled may increase future premium charges.

Know what you're buying before you commit yourself or sign anything. Ask for a detailed explanation in plain English. Remember if it sounds too good to be true, it probably is. Get any "promises" in writing – don't count on what anyone tells you unless it's also in writing. Once you get the policy, check to be sure it's what you meant to buy.



If you apply for and/or buy insurance over the phone, ask the representative to send you a copy of the application for your records. Ask for the name and title of the person you speak to, and ask for your answers to be read back to you. Before you end the call, ask the representative to go over the exact types and amounts of coverage you have agreed to buy.

If you apply for and/or buy insurance via the Internet, be sure to print a copy of your on-line application for your records. Correct any errors right away. Many commercial web sites now offer rate comparisons and instant on-line price quotes based on the application you fill out on-line. If you decide to buy a policy through a web site, you may not talk to a representative unless you ask to be contacted. Or, you may not be able to buy a policy unless you talk with a representative. Talking with a representative is a good time to go over the exact types and amounts of coverage you're buying.

Find a Reliable, Responsive Insurance Agent /Producer:

Check the Yellow Pages. Ask friends, family members or co-workers about their experiences with their insurance company and agent/producer. A good agent/producer should answer your questions and be available and responsive to you. If you want to confirm that an agent/producer is licensed in New Hampshire you can contact the Department at 1-800-852-3416 or www.nh.gov/insurance.



FILING AN AUTO INSURANCE CLAIM

When your vehicle is damaged or stolen, you may want to file an insurance claim. If another driver caused the damage, you can file the claim with either your own insurance company (if you have the right coverage) or the other driver's insurance company (a "third-party" claim). A claim you file with your own insurance company is called a "first-party" claim.

In a first-party claim, your insurance contract/policy requires your insurance company to meet all the conditions in your policy. In a third-party claim, you don't have a direct contract with the insurance company, and its primary obligation is to its own policyholder.

If You File a Claim With Your Own Insurance Company

- Immediately report all losses directly to your insurance agent/producer or insurance company.
- Immediately report a loss to the police, and later get a copy of the police report.
- Show the damaged vehicle to the insurer before you have it repaired.
- Protect your vehicle from more damage. If you don't, your insurance company could refuse to pay for any later damage. For example, if you don't cover a broken windshield and rain damages the upholstery, your company could refuse to pay for the damaged upholstery.
- Cooperate with the insurance company's investigation. If you don't cooperate, your company could deny your claim.
- Review the section of your insurance policy that describes your duties and other possible requirements (sometimes called "Conditions" or "Duties After A Loss").

If You File a Claim with the Other Driver's Insurance Company

The other driver's insurance company will investigate the claim, and will offer a settlement if they believe their insured is legally responsible for your injuries or damages. In most cases, the insurance company won't settle your claim until you sign a "release for damages." A release means you agree that the



amount offered is the only amount you will ever receive from the other driver and his/her insurance company. Be sure you are ready to accept the amount offered as the final amount you'll receive before you sign the release.



In some cases, you and the insurance company may agree on the amount of property damage before you are ready to settle the bodily injury claim. For example, there may be ongoing medical issues. An insurance company may not refuse to pay your agreed-upon property damage claim because the bodily injury claim is still outstanding.

What Information Must I Provide When I File a Claim?

- You should notify the company promptly of how, when and where the accident or loss happened. Your notice should also include the names and addresses of any injured persons and any witnesses. If you don't submit a required proof of loss within the time required in your policy, your company could deny your claim.
- Send copies of any notices or legal papers you receive about the accident or loss.
- Your company may also ask for other documents related to the claim, such as medical and auto repair bills, a copy of the police report or a bill of sale for the vehicle.
- Documents for an examination under oath (e.g., tax documents and medical bills). If required, you must submit to an exam under oath. If you don't, your company could deny your claim.

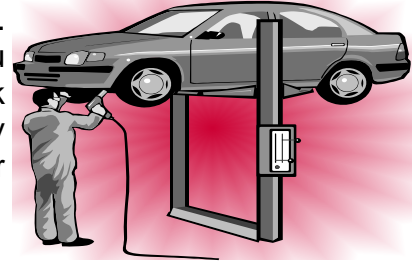
FREQUENTLY ASKED QUESTIONS

1. When can I expect to hear from the insurance company after I file a claim?

New Hampshire Insurance Department rules require your insurance company to let you know they have received your claim within 10 working days after they receive it. The company must then send you a letter at least every 30 days telling you the status of your claim. There is no specific limit on how long a company may take to settle your claim. Since each claim is different, the length of time to settle will vary. Once you and the company agree on an amount, payment must be made within 5 working days.

2. *How many repair estimates must I submit?*

The insurance company may ask for several estimates. There is no law that states how many estimates you must get or that limit the number the company can ask for. However, the insurance company is liable for any expenses incurred by you for obtaining any repair estimates after the first one.



3. *What if I can't drive my car and it needs to be left at a storage facility, will the insurance company pay those fees?*

Yes. If your vehicle is not drivable after an accident and it's towed to a storage facility, the insurance company will pay for the storage. The storage facility will charge you a daily storage fee. Your insurance company must give you reasonable notice before they stop paying for auto storage charges to give you time to move the vehicle and avoid additional storage charges.

4. *Can my insurance company deduct for "betterment"? (the amount that exceeds the value of the old or used parts)*

Yes. If your vehicle is being repaired with newer parts, your company doesn't have to pay for the "betterment." For example, if at the time of your accident your vehicle's engine was five years old with 90,000 miles, your insurance company would not have to replace it with a new engine. If a five-year old engine with comparable mileage can't be found, the repair shop could use a new engine, but you might have to pay the difference.

5. *Can the insurance company deduct for things like unrepaired damage or rust?*

Yes. In a total loss situation, your insurance company may deduct an amount from the value of the car if your vehicle had unrepaired damage. They may also deduct for wear and tear, missing parts and rust. However, your insurance company must itemize and be specific about the dollar amounts of any deductions. The insurance company may also deduct for unrepaired damage even if the car is not a total loss.

6. *Can the insurance company use After-Market Replacement or non-original equipment manufacturer (non-OEM) parts?*

Yes. Insurance companies are not required to use original equipment manufacturer (OEM) replacement parts, such as those made by GM or Ford.



You have the final choice of which parts will be used to repair your vehicle. However, if your company wants to use non-OEM parts, and you ask for the more expensive OEM parts, you may have to pay the difference. There is an exception. Insurers can not require the use of After-Market Parts if the vehicle is less than two years old and has 30,000 or fewer miles.

7. *How will the insurance company determine the value of my vehicle?*

Companies normally use guidebooks such as the one published by the National Association of Auto Dealers (NADA) to decide your vehicle's retail value. To be sure you get the highest value possible, give the insurance company complete information about your vehicle's condition, options and mileage. The value of your car may also be determined based on vehicles of like kind that are for sale in your geographic area. If you disagree with the way an insurer values your vehicle, only a court of law can determine the value of your vehicle.

8. *Does the insurance company have to pay off my car loan?*

No. Most insurance policies require your company to pay the amount of your vehicle's actual cash value. If the cash value is less than your car loan, you must pay the difference if you don't have "Gap Coverage" (See "Types of Coverage" in Section 1). If this happens to you, you should ask your lender about substitution of collateral. With substitution of collateral, your lender agrees to accept the title to your replacement vehicle instead of the title to your totaled or stolen vehicle. You keep making payments as if your previous vehicle were never totaled or stolen. Lenders are not required to do this, but many times, if you have made your loan payments on time and you find a substantially similar vehicle, lenders may agree. You should ask your lender for more information.

9. *Do I have to pay a deductible when I file a claim?*

If you chose a deductible when you bought your policy, your company will deduct that amount from the settlement each time you submit a new claim.

Keep in mind that insurance companies consider it insurance fraud if your repair shop offers to increase your repair estimate to help you recover the cost of your deductible. Insurance fraud is a criminal offense. If you are hit by an uninsured motorist see question #28.





10. Will the insurance company pay the costs of renting a car if my car is stolen or in an accident?

It depends. If your vehicle is stolen, most insurance policies will reimburse you for the cost of a rental vehicle starting 48 hours after the theft, as long as you report the theft to the police and your insurance company. Check your policy for the dollar limits.

For non-theft claims, most auto policies do not pay for a rental vehicle unless you bought additional Rental Reimbursement/Transportation Expense coverage and your vehicle is not drivable.

11. Does my insurance company have to pay if special equipment on my vehicle is damaged?

Probably not. Most auto policies only cover items that were factory and permanently installed in your vehicle by the original manufacturer. Specialized equipment such as conversion van upgrades, car phones and stereo systems probably won't be covered unless you bought special coverage (Custom/Non-factory Equipment Coverage).

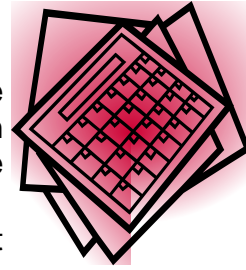
12. I had personal property in my vehicle when my car was damaged/stolen. Will it be covered?

Probably not. Auto insurance policies only pay for auto-related equipment. If you had personal items, such as clothing, luggage or gifts, that were stolen from or damaged while in your vehicle, your auto policy may not pay for them, or may pay only a limited amount. However, your homeowner's or renter's insurance policy may cover some of your personal property.



13. *My insurance company and I can't seem to agree on the amount of my loss. What can I do?*

If you and **your** insurance company can't agree on the amount of loss to your vehicle, either of you may request an appraisal as explained in your policy. Here is how the appraisal process works:



- You choose and pay for an appraiser to represent you.
- The company will choose and pay for an appraiser to represent them.
- The two appraisers will select a neutral third-party umpire (for whom you and your company split the cost, if necessary).
- Both appraisers will give their estimates of the loss.
- If the appraisers can't agree, they will submit their differences to the umpire. A decision by any two of the three is binding on both you and the company.

14. *Who decides who is at fault and how much is owed?*

New Hampshire has a "comparative negligence" law. That means that more than one person can be at fault in an accident. Under this law, you can only collect for damages from the other driver's insurance company if you are 50% or less at fault for the accident. The settlement can then be reduced by the percentage you were at fault.

For example, if the other driver is 80% at fault and you are 20% at fault, you can collect for your damages because you were less than 50% at fault. On the other hand, the other driver's insurance company might offer to pay for only 80% of your damages because you were 20% at fault. You can always collect for damages to your vehicle from your insurance company if you have the appropriate coverage.

15. *What if the other driver's insurance company denies my claim or I disagree with their settlement offer?*

If the **other** driver's insurance company denies your claim or you disagree with their offer, there is no appraisal requirement or process that applies. You may want to make a claim under your own policy (if you have the right coverage) or contact an attorney about legal remedies that may be available to you or file a suit with small claims court. Only a judge or jury can ultimately decide who was at fault in an accident or how much another person owes you for your damages.



16. *Must I settle my claim within a certain time frame?*

Yes. You must either accept a final settlement offer or file a lawsuit within the time periods required by the appropriate statute of limitations, generally 2 years. You should ask an attorney to be sure about how much time you have to either accept an offer or file a lawsuit. If you don't accept a final settlement offer or file a lawsuit before the statute of limitations ends, you may lose your right to any settlement at all.

17. *When can an insurance company consider my car a "total loss"?*

When the repair cost approaches or is more than the actual cash value (or market value) of the car, the car is usually declared a "total loss."

18. *Under the terms of the Physical Damage coverage in my auto policy, do I have the right to make the decision whether to repair, replace or receive cash for my wrecked auto?*

No. That is one of the rights the insurance company generally keeps under the policy/contract language. You should review your policy to see if your policy lets the company make this decision.

19. *I was involved in an accident where the other party was at fault. Am I entitled to compensation for the loss of use of my vehicle while it is being repaired?*

If the other party's insurer assumes liability for the accident, you are entitled to recover reasonable costs of renting a comparable vehicle while you don't have use of your vehicle. The rental period may not be longer than a reasonable amount of time for repairs to be made. You have an obligation to keep these costs at a minimum. You should give the insurance company a receipt for the rental cost. Some rental car companies and insurance companies have a direct billing arrangement. Check with the insurer and rental agency. If the insurer doesn't accept liability, your own insurer may pay for the rental car if you bought "Rental Reimbursement Coverage" with your own policy.



20. If my friend asks to use my car for his own errands, will my auto insurance cover him while he is driving?

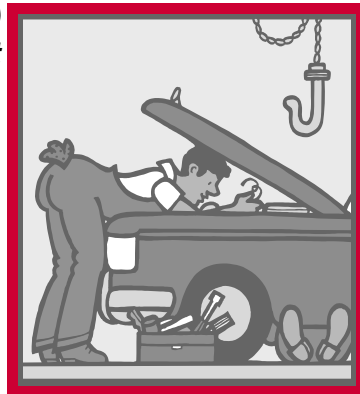
Yes. All auto liability policies in New Hampshire cover a "non-owner" operator if they are driving the vehicle with the permission of the "named insured."

21. If I cancel my policy before its paid through date or expiration date, will I be refunded money?

Possibly not. Policyholders who cancel before the expiration date may be charged an administrative "short rate" fee by the company to cover the costs of processing the cancellation. This fee may vary from company to company.

22. The Department of Motor Vehicles (DMV) has required that I file an SR-22, what does that mean?

The SR-22 is a form that confirms you are complying with the New Hampshire Division of Motor Vehicle (DMV) financial responsibility laws. It is usually required when you have had an accident but had no liability coverage, or as a result of a serious violation. If you have insurance, your insurance company must file the form with the DMV. If the policy is ever cancelled or non-renewed, the company must notify the DMV. The DMV may suspend or revoke your driver's license for failure to have or maintain the financial responsibility requirements. For more information about SR-22 requirements contact the DMV at 603-271-3101.



23. Can a family member's poor driving record affect my premiums or insurability if my own driving record is clear?

Yes. In the State of New Hampshire, an insured is defined as a household resident and all household family members are automatically covered. Because of this, companies usually consider the driving records of all residents of your household to set your insurance premiums.

24. *Must my son or daughter be added to my auto policy once he or she is licensed?*

Yes. The company has the right to charge for all licensed operators in your household because they are automatically covered under your auto policy. If the licensed child lives at home and has no other auto insurance protection in his/her own name, then he/she must be added to the parent's policy. A child at college is considered to be a resident of the household.

25. *Is there a grace period for late payments?*

No. New Hampshire law protects the insured by requiring a ten-day notice if the policy is to be cancelled for non-payment of premium. This gives the policyholder time to make the payment before the policy is cancelled. If the company gives you proper notice, and you don't pay by the cancellation date, your coverage will be terminated.

26. *Do I have the right to select the repair facility I want to complete the repairs to my vehicle after it has been involved in an accident?*

Yes. However, the insurer may give you the name and address of a recognized, competent and conveniently located repairer who is willing and able to repair the damages with other like kind and quality within a reasonable time for the price quoted in the appraisal. The insurance company may have contracts with "preferred" repair facilities that require the facility to repair the car for the price determined by the insurance company. If you take your car to one of those repair facilities you usually don't have to pay any out-of-pocket expenses, except for your deductible. The insurer should also advise you that any repair facility may be used as well. However, if you take your car to any repair facility you choose, the insurance company is not required to pay what that repair facility charges if it can be repaired for less elsewhere. Under these circumstances you would have to pay the difference between the adjuster's estimated cost to repair the car and your repair facility's actual charge.

27. *I am dissatisfied with the repair work done to my vehicle by a repair facility. What obligation does the insurance company have to correct this?*

The insurance company is responsible for paying for the repairs to your vehicle. Since you chose the repair facility, you are responsible for making



sure the job is done satisfactorily. If you are not happy with the repairs, you may want to ask an attorney about legal remedies available to you against the repair facility.

28. *I was hit by an uninsured motorist. What protection do I have under my policy?*

New Hampshire law protects insured persons against owners or drivers of uninsured motor vehicles and victims of hit-and-run accidents. In either case, you are legally entitled to collect under your own policy for bodily injury up to your policy's limit of liability. Because New Hampshire law allows for comparative negligence, the other party must be at least 50% at fault. If so, you may be entitled to collect through your Uninsured Motorists coverage. Also, if the other party can be positively identified and is found to be 100% responsible for the loss, your company must waive your collision deductible, if you carry collision coverage.

29. *Can my insurance company cancel or non-renew my auto insurance coverage?*

New Hampshire law provides that any private passenger auto policy that has been in effect for 60 days cannot be cancelled, except for:


non-payment of premium,
by specific request by the insured, or
failure to sign the NH residency form.

Likewise, a policy can't be non-renewed unless you didn't pay the premium, asked that the policy not be renewed or your residency status has changed.

30. *What is arbitration and how does it work?*

If you and **your** insurance company don't agree on your right to recover damages or the amount of damages from the owner or operator of an uninsured or an underinsured motor vehicle, then the matter may be arbitrated. Either party may request arbitration. Each party will choose an arbitrator. The two arbitrators will select a third, if they can't agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.





Each party will pay its own expenses and share the expenses of the third arbitrator equally.

Unless both parties agree otherwise, the arbitration will be in the county in which the insured lives. Local rules of law as to procedure and evidence will apply.

A decision agreed to by two of the arbitrators will be binding as to whether the insured is legally entitled to recover damages and the amount of damages.

31. Do I have to be a resident of New Hampshire to buy auto insurance in New Hampshire?

Yes. All policies require the insured's signature on a legal document where the insured swears under oath that he or she is a resident of the State of New Hampshire. New Hampshire law also requires all insureds to notify the insurance company when he or she is no longer a resident of this State. Not signing the statement of residency document can mean your policy will be cancelled. Cancellation means no coverage for accidents that happened after the policy was issued.

Making false residency statements is a criminal offense, and can mean a fine of up to \$2,000, and up to one year's imprisonment and means no coverage for accidents after the policy was issued.

A New Hampshire resident is defined as:

“ (1) A person who maintains his or her true, fixed and permanent residence within the State of New Hampshire, does not claim residency in any other State for any purpose and who has, through all of his or her actions, demonstrated a current intent to designate that the permanent residence is his or her principal place of physical presence for the indefinite future to the exclusion of all others; or (2) A person who has previously met the conditions of (1) above and who now maintains a permanent place of residence in New Hampshire for the entire year and has actually spent more than 183 days in New Hampshire during the previous calendar year.”

WHAT IF I HAVE A PROBLEM?

Contact your Agent/Producer or Company

If you believe your insurance company should have issued or renewed your policy or paid all or part of a claim but did not, you have a right to question the company or agent/producer. Sometimes a mistake has been made and the company or agent/producer will correct it if an inquiry is made. An inquiry by letter is best. Keep a copy of your letter. If you decide to inquire to the company or agent/producer by telephone, keep a written record of:

- The date and time of your telephone call,
- The name of the person you spoke with, and
- What was said during the telephone call.

Contact the New Hampshire Insurance Department

If you don't get a prompt and/or satisfactory response from the agent/producer or insurance company, you may need help resolving your problem. The State of New Hampshire Insurance Department provides information and assistance to New Hampshire residents.

We help resolve problems between consumers the agents/producers and insurance companies the department licenses. We try to help settle disputes with reconciliation, resolution or compromise. However, neither consumers nor insurance agents/producers or companies are required to accept any solution we suggest. We can not order refunds, cancellation of contracts, damage awards or other legal remedies because we do not have that authority under New Hampshire law. If you want this type of relief, you may want to speak with an attorney.

We can not overturn or overrule a court order. We can not intervene in a dispute if you are represented by legal counsel or if the dispute is already before the courts. We can give legal advice or act as your attorney. We do not interpret the terms of contracts or other legal documents. We cannot determine who is at fault in an auto accident.

The New Hampshire Insurance Department's web site includes publications as well as other useful information. You can file an on-line complaint against an insurance company or agent/producer on our web site, our address is www.nh.gov/insurance.

Our Address is : New Hampshire Insurance Department
21 S. Fruit Street, Suite 14
Concord NH 03301
603-271-2261
800-852-3416



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